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**TOWN OF LIVONIA, LOUISIANA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date      **08 1998**

**TOWN OF LIVONIA  
POINTE COUPEE PARISH, LOUISIANA  
P. O. BOX 307  
LIVONIA, LA 70755  
(504) 637-2981**

**MAYOR  
Warren C. Pourciau**

**COUNCIL**

**Ronald Barlow - Street Commissioner  
Kevin Bergeron - Grass Commissioner  
Patsy Hutchinson - Gas Commissioner  
Glenn Sayger - Drainage Commissioner  
Linda Walker - Water Commissioner**

**LEGAL COUNSEL  
Charles R. Browning**

**TOWN CLERK  
Donna Bergeron**

**CHIEF OF POLICE  
Tait Slocum**

**MEETING DATE**

**2nd Tuesday of Every Month  
7:00 PM - Town Hall**

TOWN OF LIVONIA, LOUISIANA  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 1997

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*George F. Delaune*

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LOUISIANA SOCIETY OF CPAs  
GOVERNMENT FINANCE  
OFFICERS ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT

The Honorable Warren C. Pourciau, Mayor  
and Members of the Town Council  
Town of Livonia, Louisiana

I have audited the accompanying general purpose financial statements of the TOWN OF LIVONIA, LOUISIANA, as of and for the year ended December 31, 1997, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Town of Livonia, Louisiana's management. My responsibility is to express an opinion on these general purposes financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and with provisions of Louisiana Revised Statute 24:513 and the provisions of the *Louisiana Governmental Audit Guide*, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred above present fairly, in all material respects, the financial position of the Town of Livonia, Louisiana, as of December 31, 1997, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principle.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 8, 1998, on my consideration of the Town of Livonia, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements of Town of Livonia, Louisiana, taken as a whole. The accompanying financial information listed as Supplemental Information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*George F. Delaune, CPA*

June 8, 1998

EXHIBIT A  
TOWN OF LIVONIA, LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 1997

	Governmental Fund Types			Proprietary Fund Type	Account Groups			Totals Memorandum Only
	General	Special Revenue	Debt Service		Enterprise	General Fixed Assets	General Long Term Debt	
<b>ASSETS</b>								
Cash and investments	\$238,377	\$176,751	\$2,231	\$32,085			\$449,444	
Receivables -								
Taxes - ad valorem	16,184		1,246				17,430	
Taxes - franchise	8,807						8,807	
Utility billings and unbilled				41,857			41,857	
Accrued interest			7				7	
Due from other governmental units -								
Louisiana - beer taxes	471						471	
Louisiana - tobacco taxes	1,311						1,311	
Louisiana - video poker	13,972						13,972	
Louisiana - public safety		1,463					1,463	
Pointe Coupee Parish sales tax		563					563	
Due from other funds -								
Public Improvement Bond Fund	153						153	
Prepaid expenses				2,272			2,272	
Restricted assets -								
Current debt service				7,418			7,418	
Future debt service				19,953			19,953	
Contingency				47,970			47,970	
Consumer meter deposits				13,978			13,978	
Property, Plant and Equipment -								
At cost				583,385	\$315,953		899,338	
Accumulated depreciation				(325,324)		\$3,000	(325,324)	
Amount available in debt service fund								
Amount to be provided for retirement of general long-term debt from -								
Ad valorem taxes								
<b>TOTAL ASSETS</b>	<b>\$279,275</b>	<b>\$178,777</b>	<b>\$3,484</b>	<b>\$423,594</b>	<b>\$315,953</b>	<b>\$3,000</b>	<b>\$1,204,083</b>	

	Governmental Fund Types		Proprietary Fund Type	Account Groups		Totals
	General	Special Revenue		Debt Service	General Fixed Assets	
<b>LIABILITIES AND FUND EQUITY</b>						
Liabilities:						
Accounts payable	\$3,787		\$12,767			\$16,554
Due to other governmental units - P.C. Parish - Solid Waste System			11,786			11,786
Due to other funds - General Fund				\$153		153
Payable from restricted assets - Revenue bonds			15,000			15,000
Accrued interest			300			300
Consumer deposits			13,325		\$3,000	13,325
Bonds payable						3,000
<b>Total Liabilities</b>	<b>3,787</b>		<b>53,178</b>		<b>3,000</b>	<b>60,118</b>
Fund Equity:						
Contributed capital			209,902		\$315,953	209,902
Investment in general fixed assets						315,953
Retained earnings - Reserved for -						
Revenue bond debt service			22,071			22,071
Revenue bond contingency			47,970			47,970
Unreserved			90,473			90,473
Fund balances - Unreserved - Designated for debt service						
Undesignated	275,488	\$178,777		3,331		3,331
<b>Total Fund Equity</b>	<b>275,488</b>	<b>178,777</b>	<b>370,416</b>	<b>3,331</b>	<b>315,953</b>	<b>1,143,965</b>
<b>TOTAL LIABILITIES AND FUND EQUIT</b>	<b>\$279,275</b>	<b>\$178,777</b>	<b>\$423,594</b>	<b>\$3,484</b>	<b>\$315,953</b>	<b>\$1,204,083</b>

The accompanying notes are an integral part of this statement.

**EXHIBIT B**  
**TOWN OF LIVONIA, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals Memorandum Only</u>
<i>Revenues:</i>				
Taxes	\$60,439	\$97,542	\$1,631	\$159,612
Licenses and permits	42,082			42,082
Intergovernmental revenue	86,909			86,909
Fines and forfeitures	101,081			101,081
Miscellaneous revenues	11,014	2,579	172	13,765
<b>Total Revenues</b>	<u>301,525</u>	<u>100,121</u>	<u>1,803</u>	<u>403,449</u>
<i>Expenditures:</i>				
Current -				
General government	59,887	1,065	97	61,049
Public safety	142,168			142,168
Streets and drainage	62,625			62,625
Capital outlays -				
General government	1,725			1,725
Public safety	26,455			26,455
Debt service -				
Principal retirements			2,500	2,500
Interest and fiscal charges			323	323
<b>Total Expenditures</b>	<u>292,860</u>	<u>1,065</u>	<u>2,920</u>	<u>296,845</u>
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	8,665	99,056	(1,117)	106,604
<i>Other Financing Sources (Uses):</i>				
Operating transfers in	12,000			12,000
Operating transfers out		(12,000)		(12,000)
<i>Excess (Deficiency) of Revenues and Sources Over Expenditures and Uses</i>	20,665	87,056	(1,117)	106,604
Fund Balance - January 1	<u>254,823</u>	<u>91,721</u>	<u>4,448</u>	<u>350,992</u>
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$275,488</u>	<u>\$178,777</u>	<u>\$3,331</u>	<u>\$457,596</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C  
TOWN OF LIVONIA, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL AND SPECIAL REVENUE FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1997

	General Fund		Special Revenue Fund - Sales Tax		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
<b>Revenues:</b>					
Taxes	\$53,435	\$60,439	\$94,400	\$97,542	\$3,142
Licenses and permits	37,850	42,082			4,232
Intergovernmental revenue	100,857	86,909			(13,948)
Fines and forfeitures	91,995	101,081			9,086
Miscellaneous revenues	10,629	11,014	2,370	2,579	209
<b>Total Revenues</b>	<b>294,766</b>	<b>301,525</b>	<b>96,770</b>	<b>100,121</b>	<b>3,351</b>
<b>Expenditures:</b>					
Current -					
General government	64,754	59,887	1,675	1,065	610
Public safety	144,003	142,168			1,835
Streets and drainage	77,190	62,625			14,565
Capital outlays -					
General government	1,750	1,725			25
Public safety	26,456	26,455			1
Streets and drainage	23,490	23,490			23,490
<b>Total Expenditures</b>	<b>337,643</b>	<b>292,860</b>	<b>1,675</b>	<b>1,065</b>	<b>610</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(42,877)</b>	<b>8,665</b>	<b>95,095</b>	<b>99,056</b>	<b>3,961</b>
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	18,000	12,000			(6,000)
Operating transfers out			(18,000)	(12,000)	6,000
<b>Excess (Deficiency) of Revenues and Sources Over Expenditures and Uses</b>	<b>(24,877)</b>	<b>20,665</b>	<b>77,095</b>	<b>87,056</b>	<b>9,961</b>
Fund Balance - January 1	254,822	254,823		91,721	91,721
<b>FUND BALANCE - DECEMBER 31</b>	<b>\$229,945</b>	<b>\$275,488</b>	<b>\$77,095</b>	<b>\$178,777</b>	<b>\$101,682</b>

The accompanying notes are an integral part of this statement.

**EXHIBIT D**  
**TOWN OF LIVONIA, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS**  
**BUDGET AND ACTUAL (GAAP BASIS) - PROPRIETARY FUND TYPE**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

	Enterprise			
	1997			1996
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<i>Operating Revenues:</i>				
Charges for services -				
Natural gas sales	\$101,600	\$126,619	\$25,019	\$119,721
Water sales	85,900	84,140	(1,760)	64,201
Billing and collection fees	6,900	7,148	248	6,830
Miscellaneous revenues	4,333	5,482	1,149	7,165
<b>Total Operating Revenues</b>	<b>198,733</b>	<b>223,389</b>	<b>24,656</b>	<b>197,917</b>
<i>Operating Expenses:</i>				
Natural gas expenses	86,380	82,333	4,047	78,557
Water expenses	57,413	49,048	8,365	48,109
General and administrative	93,302	98,165	(4,863)	75,328
<b>Total Operating Expenses</b>	<b>237,095</b>	<b>229,546</b>	<b>7,549</b>	<b>201,994</b>
<b>Operating Loss</b>	<b>(38,362)</b>	<b>(6,157)</b>	<b>32,205</b>	<b>(4,077)</b>
<i>Non-operating Revenues (Expenses):</i>				
Interest earned	3,350	3,561	211	4,010
Bad debts recovered		56	56	53
Miscellaneous revenues	2,725	3,023	298	2,800
Interest and fiscal charges	(3,440)	3,180	6,620	(3,907)
<b>Total Non-operating Revenues (Expenses)</b>	<b>2,635</b>	<b>9,820</b>	<b>7,185</b>	<b>2,956</b>
<b>Net Loss</b>	<b>(35,727)</b>	<b>3,663</b>	<b>39,390</b>	<b>(1,121)</b>
Retained Earnings - January 1	163,286	163,286		164,407
<b>RETAINED EARNINGS - DECEMBER 31</b>	<b>\$127,559</b>	<b>\$166,949</b>	<b>\$39,390</b>	<b>\$163,286</b>

The accompanying notes are an integral part of this statement.

EXHIBIT E  
TOWN OF LIVONIA, LOUISIANA  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1997

	Enterprise	
	1997	1996
<i>Cash Flows from Operating Activities:</i>		
Operating loss	(\$6,157)	(\$4,077)
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	22,608	19,337
Other non-operating revenues	3,079	2,853
Changes in assets and liabilities -		
Decrease (increase) in receivables	(7,660)	(3,231)
Decrease (increase) in prepaid insurance	219	(646)
Decrease (increase) in restricted assets	(8,084)	(3,816)
Increase (decrease) in accounts payable	(6,397)	7,698
Increase (decrease) in due to other governmental units	940	964
Increase (decrease) in payroll deductions	37	
Increase (decrease) in consumer meter deposit liability	1,275	2,550
Net Cash Provided by Operating Activities	<u>(140)</u>	<u>21,632</u>
<i>Cash Flows from Capital and Related Financing Activities:</i>		
Acquisition of capital assets	(8,974)	(44,110)
Principal paid on revenue bonds	(14,000)	(13,000)
Interest paid on revenue bonds	(1,740)	(2,520)
Fiscal agent charges paid	(1,795)	(1,347)
Net Cash (Used) for Capital and Related Financing Activities	<u>(26,509)</u>	<u>(60,977)</u>
<i>Cash Flows from Investing Activities:</i>		
Interest on investments	3,561	4,010
Net Cash Provided from Investing Activities	<u>3,561</u>	<u>4,010</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(23,088)	(35,335)
Cash and Cash Equivalents at January 1	<u>55,173</u>	<u>90,508</u>
<b>CASH AND CASH EQUIVALENTS AT DECEMBER 31</b>	<u><u>\$32,085</u></u>	<u><u>\$55,173</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1997

**NOTE 1 - INTRODUCTION**

The Town of Livonia, Louisiana (the "Town") was incorporated in 1959, under the provisions of Title 33, Chapter 2, Part 1, of the Louisiana Revised Statutes (Lawrason Act - Act No. 36 of 1898). The Town operates under a Mayor-Board of Aldermen Council form of government and provides the following services--public safety (police), streets, public improvements, and general administrative services. In addition, the Town owns and operates a gas and water enterprise activity.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

As the municipal governing authority, for reporting purposes, the Town of Livonia is considered a separate financial reporting entity. The financial reporting entity consists of [a] the primary government (municipality), [b] organizations for which the primary government is financially accountable, and [c] other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Livonia for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Town of Livonia (the primary government). There are no component units that are required to be included with the reporting entity.

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1997

Other Organizations

The municipality may appoint some, or all, governing board members of organizations that are not included as component units in the primary government's reporting entity. These organizations are classified as [a] related organizations, [b] joint ventures and jointly governed organizations, and [c] component units of another government with characteristics of a joint venture or jointly governed organization.

Considered in the determination of component units of the reporting entity were the Pointe Coupee Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for the 18th Judicial District. It was determined that these governmental entities are not component units of the Town of Livonia reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Town of Livonia.

Also, excluded from the reporting entity:

Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana

This potential component unit has a separate board appointed jointly by the area governments' governing bodies. It provides services to residents, within the geographic boundaries of the government and other areas adjacent to it. This unit is excluded from the reporting entity because the government does not have the ability to exercise influence or control over its daily operations, approve budgets or provide funding.

Fund Accounting

The municipality uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the municipality are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1997

**Governmental Fund**

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

*General Fund*—the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.

*Special revenue funds*—account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

*Debt service funds*—account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

**Proprietary Fund Type**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

*Enterprise funds*—account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1997

*Revenues*

1. Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.
2. Sales and use tax revenues are recorded in the month they are received by the parish tax collector.
3. Federal and state grants and reimbursements are recorded when the Town is entitled to the funds.
4. Fines, forfeitures, and court costs are recorded in the year they are received by the Town or parish tax collector.
5. Fees, charges and commissions are recognized as revenue in the month in which they are earned and billed.
6. Substantially all other revenues are recorded when received by the Town.

*Expenditures*

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

*Other Financing Sources (Uses)*

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recorded when the actual transfers occurs.

*Budgets*

A proposed operating budget for the fiscal year, prepared on GAAP Basis, is approved by the Board of Aldermen and adopted in accordance with the Local Government Budget Law. The operating budget includes proposed expenditures and the means of financing them.

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1997

During the year, monthly budgetary comparison statements are used as management tools to control operations. When necessary the Board adopts budget amendments which are included in minutes published in the official journal.

The Board exercises budgetary control at the line item level. Unexpended appropriations lapse at the year end and must be reappropriated in the next year's proposed budget to be expended.

*Encumbrances*

The Town does not follow the encumbrance method of accounting.

*Cash and Cash Equivalents*

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with a bank organized under Louisiana law, or any other state of the United States, or under the laws of the United States.

*Accounts Receivable and Bad Debts*

The Town uses the direct charge-off method whereby uncollectible amounts due from ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

*Short-Term Interfund Receivables/Payables*

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

*Inventories*

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1997

Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Under the terms of the bond indenture on outstanding Utility Revenue Bonds dated September 1, 1968, all income and revenue (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

All of the revenues to be earned from the operating of the system shall be deposited in a separate and special bank account known and designated as "*Gas and Water Revenue Fund*", and said fund shall be established, maintained and administered in the following order of priority and for the following express purposes:

1. The payment of all reasonable expenses of administration, operations and maintenance of the system.
2. The establishment and maintenance of the *Sinking Fund* through monthly deposits of an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due.
3. There shall also be set aside into a *Bond Reserve Fund* through monthly deposits of an amount at least equal to twenty percent (20%) of the amount required to be paid into the aforesaid *Sinking Fund* specified in paragraph 2. above, until there has been accumulated in the *Reserve Fund* an amount equal to the maximum principal and interest requirements in any succeeding year (\$15,900 - Year 1998). Such fund shall be retained solely for the purpose of paying the principal and interest on bonds payable and interest coupons for which sufficient funds are not on deposit in the aforesaid Sinking Fund and as to which there would otherwise be default.
4. Funds will also be set aside into a *Depreciation and Contingencies Fund* each month in a sum equal to a five percent (5%) of the gross revenues of the system for the preceding month, providing that such sum is available after provision is made for the payment in 1., 2., 3. above. In addition to caring for extensions, additions, operations of the system, the money in said *Depreciation and Contingencies Fund* shall also be used to pay the principal and the interest on the bonds for which there is not sufficient money in the *Sinking Fund* or *Reserve Fund*.

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1997

No further monthly payment into the *Depreciation and Contingencies Fund* need be made when there shall be in said fund the sum of \$75,00.

5. Any money remaining in the Gas and Water Revenue Fund in excess of \$7,500 after making the above required payments may be used by the Town for the purpose of calling and/or purchasing and paying bonds payable from the revenues of the system, or for such other lawful corporate purposes as the governing authority of the Town approves.

General Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than building, including roads, streets, drainage systems, and lighting systems, are not capitalized with other fixed assets. Interest cost incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Property, Plant and Equipment - Proprietary Fund

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation is charged as an expense against operations. Depreciation is computed using the straight-line method with estimated useful lives as follows:

Buildings	20 Years
Natural Gas System	20 Years
Water System	5 - 50 Years
Vehicles	6 Years
Tractors and Equipment	5 Years

Compensated Absences

Accumulated unpaid vacation and sick leave is accrued when incurred in proprietary funds. The amount of accumulated vacation and sick leave recorded in the governmental funds is that amount,

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1997

adjusted to current salary costs, which is expected to be liquidated with expendable available financial resources. Only the current portion is reflected in the funds. The remainder of the liability is reported in the General Long-Term Debt Account Group. The guidelines of Financial Accounting Standards Board Statement (FASB) No. 43 "Accounting for Compensated Absences" were applied in determining the liability for both governmental and proprietary funds.

*Long-Term Obligations*

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

*Fund Equity*

*Contributed Capital*

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted from the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

**Reserves**

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

*Unreserved Retained Earnings*

Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distributions.

*Designated Fund Balances*

Designated fund balances represent tentative plans for future use of financial resources.

*Unreserved-Undesignated Fund Balances*

The unreserved-undesignated fund balances for governmental funds represent the amount available for budgeting future operations.

TOWN OF LIVONIA, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 1997

Interfund Transactions

All interfund transfers are reported as operating transfers.

Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) have not been presented since their inclusion would make the statements unduly complex and difficult to read.

Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS**

At December 31, 1997, the status of deposited funds and collateralized balances are as follows:

	<u>Balance per Bank Statement</u>	<u>Secured by FDIC</u>	<u>Pledged Collateral</u>	<u>Unsecured/ Uncollat- eralized</u>
Demand Accounts -				
Operating funds	\$454,546	\$200,357	\$575,000	
Consumer meter deposits	13,998	13,998		
Revenue bond contingency fund	47,970	47,970		
Total	<u>516,514</u>	<u>262,325</u>	<u>575,000</u>	
Trustee Accounts -				
Public Improv bond sinking fund	1,874	1,874		
Revenue bond sinking fund	7,390	7,390		
Revenue bond reserve fund	19,876	19,876		
Total	<u>29,140</u>	<u>29,140</u>		
Grand Total	<u><u>\$545,654</u></u>	<u><u>\$291,465</u></u>	<u><u>\$575,000</u></u>	

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1997

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 4 - CHANGES IN FIXED ASSETS**

A summary of changes in general fixed assets follows:

	<u>1-1-97</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-97</u>
Land	\$6,137			\$6,137
Buildings and improvements	127,629			127,629
Furniture and equipment	65,465	\$7,040		72,505
Vehicles	39,700	19,855		59,555
Tractors and Equipment	50,127			50,127
Totals	<u>\$289,058</u>	<u>\$26,895</u>		<u>\$315,953</u>

A summary of changes in proprietary fund type property, plant and equipment follows:

	<u>1-1-97</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-97</u>
Land	\$3,000			\$3,000
Buildings	18,136			18,136
Natural gas system	102,121	\$3,400		105,521
Water system	389,168	3,849		393,017
Vehicles	12,785			12,785
Tractors and equipment	38,967			38,967
Office equipment & furniture	10,233	1,725		11,958
	<u>574,411</u>	<u>8,974</u>		<u>583,384</u>
Less accumulated depreciation	<u>302,717</u>	<u>\$22,608</u>		<u>324,324</u>
	<u>\$271,694</u>			<u>\$259,060</u>

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1997

**NOTE 5 - CHANGES IN LONG-TERM OBLIGATIONS**

The following is a summary of bond transactions of the Town for the year ended December 31, 1997:

	Beginning Balances	Additions	Redemptions	Ending Balances
General Obligation Bonds - 1968 Public Improvement	\$5,500		\$2,500	\$3,000
Enterprise Fund Revenue Bonds - 1968 Gas and Water Utility	29,000		14,000	15,000
	\$34,500		\$16,500	\$18,000

Bonds payable at December 31, 1997 are comprised of the following issues:

General Obligation Bond:

\$34,500 - 1968 Public Improvement Bonds due in annual installments of \$1,000 to \$3,000 through September 1, 1998; interest at 5.5% to 5.6% (this issue secured by levy and collection of ad valorem taxes)

\$3,000

Enterprise Fund Debt:

\$190,000 - 1968 Gas and Water Utility Revenue Bonds due in installments of \$6,000 to \$15,000 through September 1, 1998; interest at 6%

\$15,000

The annual requirements to amortize all debt outstanding as of December 31, 1997, including interest payments of \$1,068 are as follows:

**ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT**

Year Ending	General Obligation		Revenue		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
12/31 1998	\$3,000	\$168	\$15,000	\$900	\$18,000	\$1,068

TOWN OF LIVONIA, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 1997

**NOTE 6 - EXCESS RESTRICTED FUNDS - UTILITY REVENUE BONDS**

As of December 31, 1997, the Town had excess deposits as follows:

	<u>On Deposit</u>	<u>Requirements</u>	<u>Excess</u>
Revenue bond sinking fund	\$7,418	\$5,300	\$2,118
Revenue bond reserve fund	19,953	15,900	4,053
Revenue bond contingency fund	47,970	7,500	40,470
	<u>\$75,341</u>	<u>\$33,313</u>	<u>\$46,641</u>

**NOTE 7 - AD VALOREM TAXES**

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to be assessed at 10% of "use" value; and all other property is to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property every four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Town. All taxes are due by December 31 of the year and are delinquent on January 1 of the next year, which is also the lien date.

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If the 1997 taxes are not paid by the due date of December 31st, the taxes bear interest at 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year for which they are levied and become due. The majority of the year's taxes are collected from November to February by the Sheriff. Any amounts not collected at December 31st are shown as accounts receivable.

**TOWN OF LIVONIA, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1997**

Ad valorem taxes as presented in these financial statements are as follows:

Fund	Mills	Property Assessed Valuations	Taxes Assessed For	
			General Purpose	Debt Service
General Fund	6.63	\$3,236,743	\$21,460	
Public Improvement Bonds	0.51	3,236,743		\$1,651
			<u>\$21,460</u>	<u>\$1,651</u>

**NOTE 8 - SALES TAX DEDICATION**

Proceeds of a 1% sales and use tax levied by the Town, after administrative and collection costs, can be spent for any and all lawful purposes.

**NOTE 9 - NATURAL GAS SERVICE AGREEMENT**

On January 1, 1985, the Town signed a natural gas contract with Monterey Pipeline Company to purchase all of its natural gas requirements up to a maximum volume of 256,000 cubic feet of gas per day. The agreement has been amended several times with the latest dated October 5, 1991 effective from July 1, 1992 to January 1, 1995, upon expiration, the agreement continued in force on a year-to-year basis until terminated on December 31, 1997.

On July 10, 1997, the Town entered into a fixed-price contract with the Louisiana Municipal Gas Purchasing Authority, effective January 1, 1998 for a period of ten months at a total delivered price of \$2.69 per MCF. Subsequent contracts will be for a twelve month period beginning November 1<sup>st</sup>. The price will be based upon a 12-month average NYMEX strip price plus supplier margin, transportation, and fees.

**NOTE 10 - UTILITY SERVICE AGREEMENT**

An agreement between the Solid Waste Disposal System of the Parish of Pointe Coupee and the Town of Livonia provides for the billing of customers on the Town's system. This billing agreement went into effect for the month of October 1985. Under the terms of the agreement, the Town retains a \$ .75 per customer as a billing fee. The amount owed to the Solid Waste Disposal System as of December 31, 1997 is \$11,786.

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1997

**NOTE 11 - CENTRALIZED COLLECTION AGENCY AGREEMENT**

In accordance with Paragraph (B)(1) of Section 3 of Article VII of the Constitution of the State of Louisiana, the Town entered into an agreement on May 20, 1992 with all of the sales and use taxing authorities of the Parish of Pointe Coupee designating the Sales Tax Department of the Pointe Coupee Parish Police Jury as the single tax collection entity. The agreement is effective as of July 1, 1992, the agreement authorizes the Town to compensate the collection agency 1.25% of the gross amounts collected.

**NOTE 12 - FRANCHISE AGREEMENTS**

The Town has granted three franchises:

*Cable Television*

A non-exclusive cable television franchise was granted to Green's Incorporated on October 13, 1981 for a period of 15 years. The agreement was extended on February 14, 1995 for an additional 15 year period. The annual franchise fee for this franchise shall be \$500 or 3% of the annual gross subscriber revenues (whichever is greater).

*Telephone*

On June 8, 1998, the Town adopted Ordinance Number 103 granting a non-exclusive telephone franchise to Star Telephone Company, Inc. for a period of ten years, beginning, effective January 1, 1997, and ending on December 31, 2007. The franchise fee is 3% of the Company's gross receipts payable quarterly.

*Electric*

On October 1, 1972, the Town renewed a franchise to Gulf States Utilities Company to supply electric energy to the Town and the inhabitants thereof for a period of 60 years. In consideration, the Town shall receive a fee of 4.5% of the gross receipts from sales of electricity within the corporate limits of the Town from October 1, 1972 to September 30, 1982. Then from November 1, 1982 to September 30, 2032 a fee of 5%.

TOWN OF LIVONIA, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 1997

NOTE 13 - INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 1997 were as follows:

	Transfers	
	In	Out
General Fund from Sales Tax Fund	\$12,000	
Sales Tax Fund to General Fund		\$12,000
	\$12,000	\$12,000

NOTE 14 - PENSION PLAN AND RETIREMENT COMMITMENTS

Social Security System -

All employees of the Town, except policemen covered under the Municipal Police Employees Retirement System, are members of the Federal Social Security System, administered by the State of Louisiana. The total payroll for employees of the Town covered by the System for the year 1997 was \$123,816.

The total contribution to the System is 12.4% of taxable payroll of which the Town and employees contribute 6.2% each. For the year 1997, the Town contributed \$7,677 to the System.

Medicare System -

All employees of the Town, except policemen covered under the Municipal Police Employees Retirement System and elected officials before 1986, are members of the Federal Medicare System. The total payroll for employees of the Town covered by the System for the year 1997 was \$139,084.

The total contribution to the system is 2.9% of taxable payroll of which the Town and employees contribute 1.45% each. For the year 1997, the Town contributed \$2,017 to the System.

Municipal Police Employees' Retirement System of Louisiana -

*Plan Description:* All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36

TOWN OF LIVONIA, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 1997

consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

*Funding Policy:* Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town of Livonia is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the Town of Livonia are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Livonia contributions to the System for the years ending December 31, 1997, 1996, and 1995, were \$2,908, \$2,796, and \$3,421, respectively, equal to the required contributions for each year.

**NOTE 15 - CONTINGENT LIABILITIES**

There is no pending litigation against the Town.

**NOTE 16 - COMPENSATION PAID TO BOARD MEMBERS**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to the outgoing mayor and board members is as follows:

Mayor	- Warren Pourciau	\$6,000
Council Members	- Ronald J. Barlow	1,800
	- Kevin W. Bergeron	1,800
	- Patsy Hutchinson	1,800
	- Glen Sayger	1,800
	- Linda C. Walker	1,800
		\$15,000

**TOWN OF LIVONIA, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1997**

**NOTE 17 - FEDERAL FINANCIAL ASSISTANCE**

There are no active awards for the year ended December 31, 1997.

**SUPPLEMENTAL INFORMATION**

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SCHEDULE 1  
TOWN OF LIVONIA, LOUISIANA  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (GAAP BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 1997

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
<i>Taxes:</i>				
General property	\$19,500	\$21,249	\$1,749	\$19,853
Electric franchise	26,500	31,599	5,099	30,108
Cable TV franchise	3,935	3,936	1	1,852
Telephone franchise	3,500	3,655	155	2,294
Total Taxes	<u>\$53,435</u>	<u>\$60,439</u>	<u>\$7,004</u>	<u>\$54,107</u>
<i>Licenses and Permits:</i>				
Occupational - local business	\$15,550	\$16,071	\$521	\$14,604
Occupational - insurance	20,000	23,191	3,191	20,395
Liquor and beer permits	2,300	2,820	520	4,920
Total Licenses and Permits	<u>\$37,850</u>	<u>\$42,082</u>	<u>\$4,232</u>	<u>\$39,919</u>
<i>Intergovernmental Revenues:</i>				
La - Tobacco taxes	\$5,200	\$5,245	\$45	\$5,245
La - Beer taxes	800	958	\$158	874
La - Video poker	65,000	68,349	3,349	68,394
La - Law Enforcement	1,203	1,203		1,240
La - Public Safety - police supplemental	11,154	11,154		11,336
La - Rural Development	17,500		(17,500)	
Total Intergovernmental Revenues	<u>\$100,857</u>	<u>\$86,909</u>	<u>(\$13,948)</u>	<u>\$87,089</u>
<i>Fines and Forfeitures:</i>				
Traffic fines	<u>\$91,995</u>	<u>\$101,081</u>	<u>\$9,086</u>	<u>\$118,381</u>
<i>Miscellaneous Revenues:</i>				
Interest earned	\$4,750	\$5,111	\$361	\$4,453
La - Department of Transportation	3,343	3,343		3,343
Sale of fixed assets	1,427	1,427		1,000
Mowing and backhoe rental	450	450		563
Other	659	683	24	1,223
Total Miscellaneous Revenues	<u>\$10,629</u>	<u>\$11,014</u>	<u>\$385</u>	<u>\$10,582</u>

SCHEDULE 2  
TOWN OF LIVONIA, LOUISIANA  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (GAAP BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 1997

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
<i>General Government:</i>				
Mayor's per diem	\$6,000	\$6,000		\$6,000
Council members per diem	9,000	9,000		9,000
Salary - clerk	11,834	11,834		10,334
Salary - office personnel				6,000
Benefits	1,543	1,523	20	2,063
Attorney fee	500		500	
Assessor fee	695	645	50	634
Audit fee	1,350	1,350		1,350
Professional fees	1,496	1,096	400	350
Conventions, conferences, seminars	2,100	1,748	352	1,115
Utilities	3,011	2,701	310	2,350
Insurance	3,662	3,626	36	3,542
Telephone	1,350	1,156	194	1,004
Publishing and recording	2,334	2,347	(13)	2,399
Mayor's expense account	1,000	1,000		1,000
Dues and subscriptions	840	783	57	410
Tourism and promotion	900	837	63	447
Beautification program	2,500	1,714	786	2,669
Maintenance of building	5,000	4,301	699	1,595
Janitorial and other supplies	2,500	2,075	425	2,313
Equipment maintenance	859	836	23	772
Office expense and postage	3,045	2,401	644	2,210
Animal ordinance expense	2,050	1,875	175	741
Miscellaneous expenses	1,185	1,039	146	1,301
<b>Total General Government</b>	<b>\$64,754</b>	<b>\$59,887</b>	<b>\$4,867</b>	<b>\$59,599</b>
<i>Public Safety - Police:</i>				
Salary - Chief of Police	\$21,663	\$21,721	(\$58)	\$22,527
Salary - police officers	46,995	49,689	(2,694)	45,938
Salary - part-time	9,700	8,844	856	8,566
State supplemental pay	11,398	11,154	244	11,336
Benefits	19,268	18,638	630	16,507
Conventions and conferences	500	336	164	560
Insurance	11,208	10,636	572	11,183
Telephone and paging system	1,950	1,986	(36)	1,883
Vehicle - gas and oil	4,600	4,647	(47)	4,243
Vehicle - repairs	9,500	8,284	1,216	8,245
Supplies and maintenance	3,000	2,283	717	1,828
Repairs - radios and equipment	2,450	2,422	28	2,035
Other services and charges	1,771	1,528	243	1,723
<b>Total Public Safety - Police</b>	<b>\$144,003</b>	<b>\$142,168</b>	<b>\$1,835</b>	<b>\$136,574</b>

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
<i>Streets and Drainage:</i>				
Salary - foreman	\$4,212	\$4,212		\$4,563
Salary - laborers	11,044	9,556	1,488	3,918
Benefits	3,182	3,690	(508)	2,083
Professional fees - engineer	6,500		6,500	3,235
Professional fees - grass cutting				6,000
Street lighting	13,500	13,445	55	13,160
Insurance	2,587	2,586	1	2,034
Satellite truck system	8,250	8,240	10	8,000
Concrete and asphalt	2,375	2,375		19,352
Gravel, limestone and shell	9,100	4,501	4,599	3,460
Dirt and sand	300	120	180	70
Culverts	1,400	774	626	428
Drainage	750	608	142	60
Road and street signs and speed bumps	1,730	1,681	49	1,529
Vehicle - gas and oil	2,200	1,842	358	1,218
Vehicle - repairs	1,750	1,085	665	682
Equipment maintenance	4,000	3,908	92	1,189
Small tools and supplies	2,200	1,952	248	288
Chemicals - weed control	1,960	1,959	1	1,622
Other services and charges	150	91	59	153
Total Streets and Drainage	<u>\$77,190</u>	<u>\$62,625</u>	<u>\$14,565</u>	<u>\$73,044</u>
<i>Capital Outlays:</i>				
General government	\$1,750	\$1,725	\$25	\$1,560
Public safety - police	26,456	26,455	1	27,110
Street and drainage	23,490		23,490	
Total Capital Outlays	<u>\$51,696</u>	<u>\$28,180</u>	<u>\$23,516</u>	<u>\$28,670</u>

SCHEDULE 3  
TOWN OF LIVONIA, LOUISIANA  
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL (GAAP BASIS)  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 1997

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
<i>Operating Expenses:</i>				
Natural Gas Expenses -				
Safety and odorization	\$180	\$180		\$180
Cathodic protection survey	275	275		275
Leakage survey	275	275		275
Drug testing policy fees	325	264	61	418
Operations manual	1,800	1,800		
Insurance	2,351	2,348	3	2,195
Natural gas purchases	65,000	64,890	110	65,663
Maintenance of meters	1,900	1,915	(15)	1,653
Maintenance of lines	6,500	6,308	192	4,551
Supplies and small tools	1,700	1,419	281	1,163
Miscellaneous supplies	3,900	401	3,499	10
Depreciation	2,174	2,258	(84)	2,174
	<u>\$86,380</u>	<u>\$82,333</u>	<u>\$4,047</u>	<u>\$78,557</u>
Total Natural Gas Expenses				
Water Expenses -				
Current used in pumping	\$11,500	\$10,277	\$1,223	\$9,582
Insurance	1,380	1,378	2	1,304
Maintenance of pumping equipment	7,000	7,210	(210)	7
Maintenance of lines and meters	16,298	14,504	1,794	4,369
Maintenance of water tower	3,300	3,297	3	20,387
Maintenance of generator	250	361	(111)	185
Supplies and small tools	1,500	1,456	44	612
Chlorine	1,700	1,445	255	1,521
Miscellaneous supplies	4,525	454	4,071	354
Depreciation	9,960	8,666	1,294	9,788
	<u>\$57,413</u>	<u>\$49,048</u>	<u>\$8,365</u>	<u>\$48,109</u>
	Total Water Expenses			

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
General and Administrative -				\$18,639
Salary - superintendent	\$20,900	\$20,900		10,527
Salary - maintenance	12,758	12,901	(143)	6,890
Salary - clerk	7,890	7,890		6,477
Salary - office personnel	13,412	13,412		6,392
Benefits	7,699	7,698	1	1,350
Professional fees - audit	1,350	1,350		350
Professional fees - accounting	1,400	1,400		190
Uniform expense	275	269	6	491
Utilities	886	816	70	3,175
Insurance	2,420	2,643	(223)	545
Telephone	640	591	49	301
Paging system	286	241	45	878
Printing	736	736		212
Travel	175	146	29	576
Continuing education	400	305	95	811
Dues	860	652	208	1,408
Maintenance of buildings	5,400	4,725	675	275
Janitorial and other supplies	800	715	85	1,198
Vehicle - gas and oil	1,250	1,050	200	2,104
Maintenance of trucks	3,400	3,236	164	976
Maintenance of equipment	1,480	1,175	305	430
Maintenance of computer	633	632	1	1,433
Office supplies and stationery	1,159	1,054	105	1,993
Postage	2,000	1,887	113	331
Miscellaneous	1,850	57	1,793	7,376
Depreciation	3,243	11,684	(8,441)	
<b>Total General and Administrative</b>	<b>\$93,302</b>	<b>\$98,165</b>	<b>(\$4,863)</b>	<b>\$75,328</b>

**SCHEDULE 4**  
**TOWN OF LIVONIA, LOUISIANA**  
**PUBLIC UTILITY SYSTEM**  
**SCHEDULE OF CHANGES IN ASSETS RESTRICTED**  
**FOR REVENUE BOND DEBT SERVICE**  
**FOR YEAR ENDED DECEMBER 31, 1997**

	Current Debt Service	Future Debt Service Reserve	Contingency	Total
<b>Cash and Investments - January 1</b>	<u>\$6,927</u>	<u>\$19,080</u>	<u>\$42,917</u>	<u>\$68,924</u>
<i>Cash Receipts:</i>				
Transfers from - Operations	15,793		4,100	19,893
Interest received	<u>487</u>	<u>972</u>	<u>953</u>	<u>2,412</u>
<b>Total Cash Receipts</b>	<u>16,280</u>	<u>972</u>	<u>5,053</u>	<u>22,305</u>
<b>Total Cash and Investments Available</b>	<u>23,207</u>	<u>20,052</u>	<u>47,970</u>	<u>91,229</u>
<i>Cash Disbursements:</i>				
Principal payments	14,000			14,000
Interest payments	1,740			1,740
Trustee fees	<u>49</u>	<u>99</u>		<u>148</u>
<b>Total Cash Disbursements</b>	<u>15,789</u>	<u>99</u>		<u>15,888</u>
<b>CASH and INVESTMENTS-DECEMBER 31</b>	<u><u>\$7,418</u></u>	<u><u>\$19,953</u></u>	<u><u>\$47,970</u></u>	<u><u>\$75,341</u></u>

SCHEDULE 5  
TOWN OF LIVONIA, LOUISIANA  
GENERAL FUND REVENUES, EXPENDITURES, AND TRANSFERS  
LAST TEN YEARS  
(UNAUDITED)

	12/31/88	12/31/89	12/31/90	12/31/91	12/31/92	12/31/93	12/31/94	12/31/95	12/31/96	12/31/97
<b>Revenues and Transfers:</b>										
Taxes	\$39,158	\$41,919	\$44,637	\$44,851	\$45,138	\$48,747	\$53,485	\$49,547	\$54,107	\$60,439
Licenses and permits	28,905	25,287	23,720	23,675	24,751	34,997	40,821	31,429	39,919	42,082
Intergovernmental revenues	8,659	6,588	7,009	11,349	20,688	12,895	41,752	65,930	87,089	86,909
Fines and forfeitures	68,955	82,076	69,133	76,115	107,885	83,126	78,654	69,663	118,381	101,081
Miscellaneous revenues	11,566	13,970	15,827	14,755	13,910	9,621	6,904	10,458	10,582	11,014
Transfers from other funds	12,000	28,643	21,203	222,000	27,000	53,000	56,000	86,000	87,000	12,000
<b>Total Revenues and Transfers</b>	<b>169,243</b>	<b>198,483</b>	<b>181,529</b>	<b>392,745</b>	<b>239,372</b>	<b>242,386</b>	<b>277,616</b>	<b>313,027</b>	<b>397,078</b>	<b>313,525</b>
<b>Expenditures and Transfers:</b>										
General government	32,482	29,032	34,052	36,788	46,604	55,553	59,471	58,450	59,599	59,887
Police department	69,839	76,381	81,219	85,310	108,713	107,284	111,161	123,339	136,574	142,168
Fire department										
Streets and sanitation	29,566	28,434	46,156	46,478	60,926	53,344	78,468	104,222	73,044	62,625
Capital outlays	14,078	25,522	10,134	273,974	16,713	42,878	12,868	3,377	28,670	28,180
Transfers to other funds			5,064							
<b>Total Expenditures and Transfers</b>	<b>145,965</b>	<b>159,369</b>	<b>176,625</b>	<b>442,550</b>	<b>232,957</b>	<b>259,059</b>	<b>261,968</b>	<b>289,388</b>	<b>297,887</b>	<b>292,860</b>
<b>Excess (Deficiency) of Revenues and Transfers Over Expenditures and Transfers</b>	<b>\$23,278</b>	<b>\$39,114</b>	<b>\$4,904</b>	<b>(\$49,805)</b>	<b>\$6,415</b>	<b>(\$16,673)</b>	<b>\$15,648</b>	<b>\$23,639</b>	<b>\$99,191</b>	<b>\$20,665</b>

SCHEDULE 6  
TOWN OF LIVONIA, LOUISIANA  
TAXABLE PROPERTY VALUATIONS  
(UNAUDITED)

<u>Year</u>	<u>Real Estate</u>	<u>Movables</u>	<u>Public Service</u>	<u>Totals</u>
1984	\$1,696,825	\$201,985	\$497,296	\$2,396,106
1985	1,725,949	213,590	533,509	2,473,048
1986	1,759,715	213,765	426,073	2,399,553
1987	1,763,360	255,285	463,967	2,482,612
1988	1,657,610	208,735	466,460	2,332,805
1989	1,696,540	198,750	482,764	2,378,054
1990	1,721,760	204,695	413,721	2,340,176
1991	1,738,635	215,281	412,386	2,366,302
1992	1,799,925	251,155	397,906	2,448,986
1993	1,858,685	369,978	416,839	2,645,502
1994	1,906,400	439,030	469,232	2,814,662
1995	1,927,235	381,267	397,222	2,705,724
1996	2,214,135	410,653	376,020	3,000,808
1997	2,434,595	478,623	323,525	3,236,743

SCHEDULE 7  
TOWN OF LIVONIA, LOUISIANA  
PUBLIC UTILITY SYSTEM  
SUMMARY OF OPERATIONS

	Gas System		Water System	
	1997	1996	1997	1996
Sales	\$126,619	\$119,721	\$84,140	\$64,201
MCF Gas Sold	19,922	20,174	-	-
Total number of customers billed	4,421	4,326	8,218	8,031
Average number of customers billed per month	368	361	685	669
Average annual revenue per customer	\$343.68	\$332.10	\$122.86	\$95.93
Average monthly revenue per customer	\$28.64	\$27.67	\$10.24	\$7.99
Average MCF gas billed per customer	4.51	4.66	-	-
Average revenue per MCF of gas billed	\$6.36	\$5.93	-	-
Number of customers at beginning of year	370	359	672	671
Number of customers at end of year	377	370	699	672

	1997		1996	
	Amount	MCF	Amount	MCF
Gas Sales	\$126,619	19,922	\$119,721	20,174
Gas Purchases	64,890	20,552	65,663	21,026
Gross Profit on Sales	<u>\$61,729</u>		<u>\$54,058</u>	
MCF Gas Unaccounted For - Sales (Purchases)		<u>(630)</u>		<u>(852)</u>
Percent Unaccounted For - Gas Gain (Loss)		<u>-3.0654%</u>		<u>-4.0521%</u>

*George F. Delaune*

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Warren C. Pourciau  
and Members of the Town Council  
Town of Livonia, Louisiana

I have audited the financial statements of TOWN OF LIVONIA, LOUISIANA, as of and for the year ended December 31, 1997, and have issued my report thereon dated June 8, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Town of Livonia, Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Town of Livonia, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements

in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*George F. Delaune, CPA*

June 8, 1998